

## **Quality Assurance Fee Program Common Questions and Answers**

### **General Questions**

- **When did Department of Health Services (DHS) send out letters to skilled nursing facilities about the implementation of AB 1629 and to how many and what type of facilities?**
- **Is the quality assurance fee (QAF) is retroactive to when?**
- **When will increased Medi-Cal funds start flowing to skilled nursing facilities?**
- **Are there any requirements as to what those funds are to be spent on?**
- **What are the consequences for failing to pay the fees?**
- **When did CMS approve the waiver to implement it?**
- **What is the average percentage increase in Medi-Cal funding that homes will receive? is that retroactive to when?**
- **Will this cause the private pay fee rates to go up?**
- **Will private pay patients be subsidizing Medi-Cal patients?**

### **Provider Questions**

- **On the Retro Payment Quality Assurance Payment Form 04-05/1 the SFY dates are listed from (July 1, 2004 – June 30, 2005). All other correspondence indicates an effective date of August 1, 2004. Which date is correct.**
- **The total calculated fee for the Retro Payment Quality Assurance Payment Form is due on November 29, 2005. Will DHS allow payments to be made?**
- **Should the number of resident days on the Retro Payment Quality Assurance Payment Form 04-05/1 include Veteran residents?**
- **Should the number of resident days on the Retro Payment Quality Assurance Payment Form 0405/1 include Medicare, Hospice, Charity, HMO, or Insurance?**

- **Should the number of resident days on the Retro Payment Quality Assurance Payment Form 04-05/1 include Medicare Part A days?**
- **Should the Retro Payment Quality Assurance Payment Form 04-05/1 include Managed Care resident days that have not been reimbursed the Quality Assurance Fee costs in the facility's rates?**
- **My facility has two provider numbers, and received two QAF forms. How should QA fees and forms be calculated and completed; separately for each provider number or the combined total days for both facility numbers?**
- **When will providers receive the QA payment from DHS?**
- **Do we include bed hold days?**

**When did Department of Health Services (DHS) send out letters to skilled nursing facilities about the implementation of AB 1629 and to how many and what type of facilities?**

DHS published a Medi-Cal provider bulletin in November 2004 announcing the legislation. A public notice was published in the May 2005 California Regulatory Notice Register. In September 2005, letters announcing the Quality Assurance Fee (QAF) provisions of AB 1629 were mailed to long-term care skilled nursing facility providers, both non-Medi-Cal (private pay) and Medi-Cal participating.

The Department of Health Services estimates there are approximately 1,100 Medi-Cal participating skilled nursing facilities. There are approximately 200 non-participating skilled nursing facilities.

**Is the quality assurance fee (QAF) is retroactive to when?**

August 1, 2004

**When will increased Medi-Cal funds start flowing to skilled nursing facilities?**

Among AB 1629 provisions, is a mandate to lift the FY 2004-05 rate freeze. That freeze was lifted and updated rates installed effective September 26, 2005. Retroactive checks began flowing to providers in October 2005.

**Are there any requirements as to what those funds are to be spent on?**

Under the AB 1629, the QAF funds assessed are to enhance federal financial participation in order to provide additional reimbursement to, and to support facility quality improvement efforts in licensed skilled nursing facilities. Monies will be used to fund the AB 1629 skilled nursing facility-specific rate methodology, which is effective retroactive to August 1, 2005.

**What are the consequences for failing to pay the fees?**

AB 1629, facilities that fail to pay part or all of the QAF may be assessed an additional 50 percent penalty and/or incur a delay in license renewal.

**When did CMS approve the waiver to implement it?**

The QAF waiver was approved on June 14, 2005.

**What is the average percentage increase in Medi-Cal funding that homes will receive? is that retroactive to when?**

For Fiscal Year 2005-06, the overall weighted average increase for Medi-Cal skilled nursing facilities is 8 percent greater than the prior fiscal year. Because rates will be facility-specific, the individual increases may be greater or less than this 8 percent figure.

Facility-specific rates under AB 1629 will be retroactive to August 1, 2005.

**Will this cause the private pay fee rates to go up?**

Yes, it may. That is up to the individual nursing home operator.

**Will private pay patients be subsidizing Medi-Cal patients?**

The purpose of the QAF program is to enhance and support quality improvement efforts in licensed skilled nursing facilities.

**Provider Questions**

**On the Retro Payment Quality Assurance Payment Form 04-05/1 the SFY dates are listed from (July 1, 2004 – June 30, 2005). All other correspondence indicates an effective date of August 1, 2004. Which date is correct.**

The form is incorrect. Please cross out the dates in shaded area on the form and replace with August 1, 2004 to July 31, 2005.

**The total calculated fee for the Retro Payment Quality Assurance Payment Form is due on November 29, 2005. Will DHS allow payments to be made?**

AB 1629 does not authorize payment plans for the QAF program.

**Should the number of resident days on the Retro Payment Quality Assurance Payment Form 04-05/1 include Veteran residents?**

Yes, Veteran residents should be included on the Retro Payment Quality Assurance Payment Form 04-05/1, under Line 3 Non Medi-Cal.

**Should the number of resident days on the Retro Payment Quality Assurance Payment Form 0405/1 include Medicare, Hospice, Charity, HMO, or Insurance?**

Yes, all of the above (Medicare, Hospice, Charity, HMO, Insurance) should be included on the Retro Payment Quality Assurance Payment Form 04-05/1, under Line 3 Non Medi-Cal.

**Should the number of resident days on the Retro Payment Quality Assurance Payment Form 04-05/1 include Medicare Part A days?**

Yes, Medicare days should be included on the Retro Payment Quality Assurance Payment Form 04-05/1, under Line 3 Non Medi-Cal.

**Should the Retro Payment Quality Assurance Payment Form 04-05/1 include Managed Care resident days that have not been reimbursed the Quality Assurance Fee costs in the facility's rates?**

Yes, the fee is on total resident days including any Managed Care days. The DHS Managed Care Division is working with Managed Care plans to update rates in accordance with Medi-Cal 2004-05 program changes. If the facility has not received the QAF rate adjustment from the County Organized Health System (COHS) then the facility is not required to pay the amount of the fee for COHS Medi-Cal Managed Care at this time.

**My facility has two provider numbers, and received two QAF forms. How should QA fees and forms be calculated and completed; separately for each provider number or the combined total days for both facility numbers?**

For accounting purposes please fill out both forms. Please complete one form for each provider number. The total days for the two forms should equal the entire facility's total days.

**When will providers receive the QA payment from DHS?**

The Cost of Living Adjustment has been paid to the providers and the QA reimbursement is being processed

**Do we include bed hold days?**

Yes, bed hold days should be included on the Retro Payment Quality Assurance Payment Form 04-05/1 under Line 1 Medi-Cal Fee-for-Service.